RCG CORPORATION

# Annual General Meeting

## 23 November 2017

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# AGM Agenda

| Item | |
|---|---|
| • Welcome and introductions | Ivan Hammerschlag |
| • The 2017 financial year in review | Hilton Brett |
| • Omnichannel update | Mark Teperson |
| • Vision, value proposition and name change | Daniel Agostinelli |
| • Formal matters | Ivan Hammerschlag |
| • Concluding remarks | David Gordon |

RCG CORPORATION

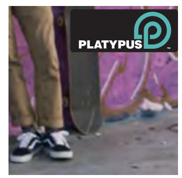
# 2017 Financial Year

## Hilton Brett

# About RCG

RCG Corporation Limited (RCG) is an investment holding company which owns and operates a number of footwear businesses in the performance and active lifestyle sectors. The acquisitions of the Accent Group in May 2015 and Hype DC in August 2016[a] has resulted in the creation of a regional leader in the retail and distribution sectors of Performance and Lifestyle footwear, with over 430 stores across 10 different retail banners and exclusive distribution rights for 10 international brands across Australia and New Zealand. Our brands include:[b]


**The Athlete's Foot**
With 148 stores, The Athlete's Foot (TAF) is Australia's largest specialty athletic footwear retailer, known for its exceptional in-store customer service experience.



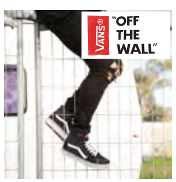

**Platypus Shoes**
With 94 stores across Australia and NZ, Platypus is the region's largest multi-branded sneaker destination, offering a wide range of iconic sneakers from around the world


**Hype DC**
Hype DC is a retailer of premium, exclusive and limited edition sneakers, curated from the world's leading brands. It has 64 stores across Australia.


**Dr. Martens**
Dr Martens range of footwear was born in 1960, and has transformed from a reliable work boot to a popular representation of rebellion and free-thinking youth culture.

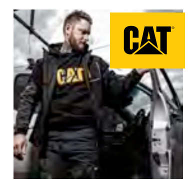

**Skechers**
Skechers is a global leader in lifestyle and performance footwear. RCG operates 73 Skechers stores across Australia and New Zealand.


**Merrell**
Merrell is one of the worlds leading brands of performance outdoor and adventure footwear. RCG operates 21 Merrel stores.



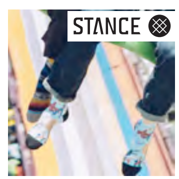

**Vans**
A staple for skaters and surfers, Vans has a strong heritage in action sports, and prides itself on being grounded in youth, authenticity and individual style. RCG operates 17 Vans stores.


**Timberland**
Inspired by the company's New England heritage, Timberland is a brand true to the outdoor lifestyle. RCG operates 8 Timberland stores.

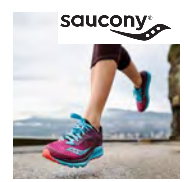



**CAT**
Cat Footwear and apparel has been designed and engineered to live up to the hard-working reputation of the Caterpillar brand. Made with uncompromising toughness and style.


**Sperry**
Sperry Top-Sider is the original and authentic boat shoe brand, and is for people drawn to the surf, sun and soul of the ocean.




**Stance**
Dedicated to the spirit of individuality, the Stance range of action-sport socks offers cutting-edge style, extreme comfort and exceptional durability.




**Saucony**
Saucony exists for runners. This focus and passion drives Saucony to create the world's best running shoes and apparel.

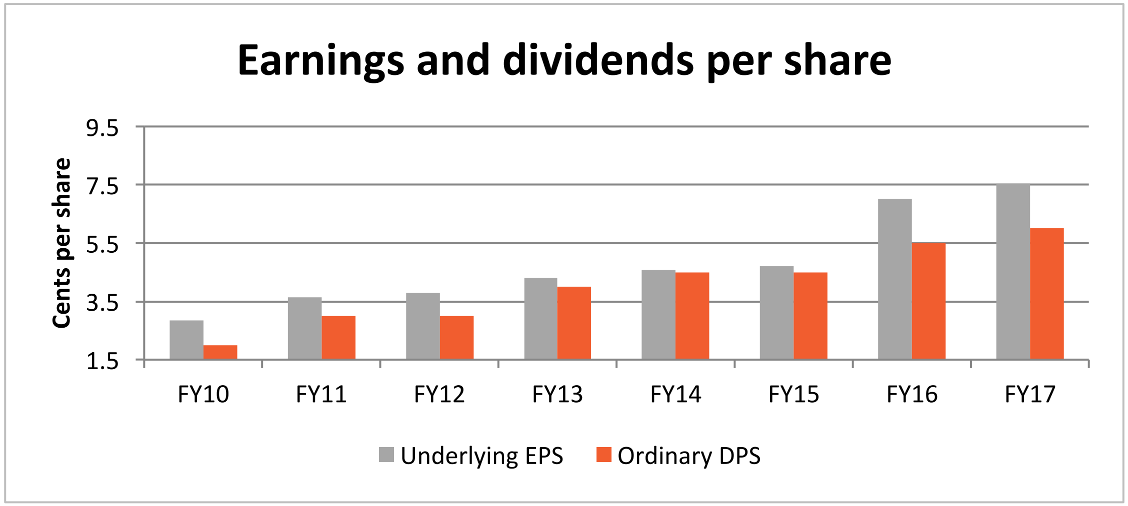
Notes: (a) Effective 1 July 2016. (b) Store numbers include online stores; other RCG brands not reflected include Podium Sports (9 stores) and Grounded (1 Store)

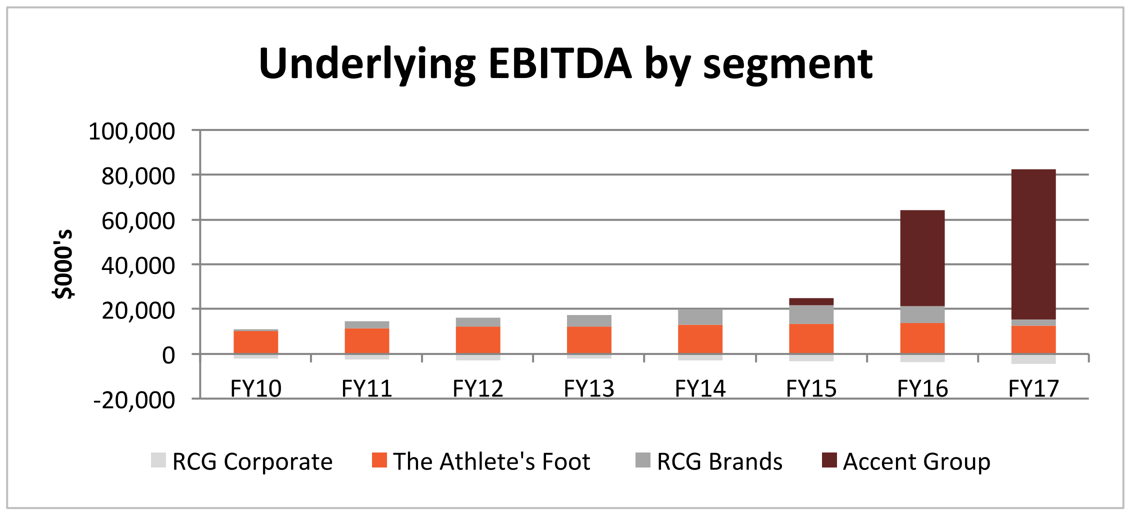
# Historical returns and performance

As the charts on this page show, RCG continues to be defined by its track record of outstanding performance and the exceptional returns it delivers on shareholders funds.

Total shareholder return over 11 years to June 2017 is 807%.

This represents a compound Annual Growth Rate (CAGR) of 22%



# FY17 Financial Year Highlights

**Underlying[a] EBITDA**
**30%**
**$78.3m**

**Underlying [a] NPAT**
**21%**
**$39.9m**

**Underlying [a] EPS**
**7%**
**7.48c**

**FY17 Dividends**
**9%**
**6.0 cents**

**Compound Annual Total Shareholder Return Over 11 Years**
**22%**

**Cashflow From Ops**
**3%**
**$45.4m**

**Completion of the acquisition of Hype DC for $99m[b]**

HYPE DC

**Total number of stores**
**36%**
**430 stores**

**Online Sales growth**
**79%**

a) References to "underlying" results are references to non-IFRS financial information, which management believes is more meaningful for investors than reported (IFRS) financial information. A reconciliation between underlying and reported financial information is provided in the Appendix to the full year results presentation, released to the market on 28/8/17.
b) As part consideration for Hype DC, 36.84 million shares were issued to the vendors at $1.425 ($52.5m). However, under the accounting standards, the share price on the date of completion must be used to calculate the purchase price. That share price was $1.71, which had the effect of increasing the recorded purchase price of Hype DC to approx. $110m

# FY17 summary financial performance

## Underlying Profit

| Underlying[a] Profit ($000's) | FY2017 | FY2016 | % Chg |
|---|---|---|---|
| Underlying EBITDA: | | | |
| Accent Group[b] | 67,073 | 42,817 | 56.7% |
| The Athlete's Foot | 12,603 | 13,721 | -8.1% |
| RCG Brands | 2,970 | 7,740 | -61.6% |
| Corporate & unallocated | (4,362) | (3,830) | -13.9% |
| **Underlying EBITDA** | **78,284** | **60,448** | **29.5%** |
| Underlying depreciation & amortisation | (18,871) | (10,998) | -71.6% |
| **Underlying EBIT** | **59,413** | **49,450** | **20.1%** |
| Net interest paid | (3,070) | (2,568) | -19.5% |
| **Underlying PBT** | **56,343** | **46,882** | **20.2%** |
| Pro-forma taxation[c] | (16,420) | (13,884) | -18.3% |
| **Underlying Net Profit After Tax** | **39,923** | **32,998** | **21.0%** |

a) References to "Underlying" results are references to non-IFRS financial information, which management believes is more meaningful for investors than reported (IFRS) financial information. A reconciliation between underlying and reported financial information is provided in the Appendix to the full year results presentation, released to the market on 28/8/17.

b) Hype DC has been fully integrated into the Accent business and is part of the Accent operating segment

c) Pro-forma taxation is calculated by multiplying the underlying PBT by the effective tax rate

## Underlying profit adjustments

| | |
|---|---|
| **Hype profit for July 2016** | ▪ Although RCG acquired Hype with effect from 1 July 2016, under the accounting standards Hype's profits between the effective date and the Completion date (4 August 2016) are treated as a reduction in the purchase price and are not taken to earnings in the statutory accounts.<br>▪ Hype's EBITDA of $1.6m from the effective date to the Completion date has been included in underlying EBITDA |
| **One-off Restructure costs** | ▪ $811k ($379k in Accent and $432k in Unallocated) of one-off restructure costs associated with corporate reorganisation have been excluded from underlying EBITDA |
| **Impairment of the Hype Brand** | ▪ Impairment tests have been carried out for all indefinite life intangible assets.<br>▪ As a result of these impairment tests, the Hype brand, which had a carrying value of $30.25m, has been impaired by $9.71m.<br>▪ As this is a one-off charge, this amount has been excluded from underlying profit |
| **Amortis-ation of distribution licences** | ▪ The value of the distribution licences acquired on the acquisition of the Accent business is being amortised over the life of those licences.<br>▪ $2.8m (FY16: $3.3m) of distribution licence amortisation is excluded from underlying profit |
| **Hype Acquisition Costs** | ▪ $0.7m of costs associated with the acquisition of the Hype business has been excluded from FY16 underlying profit |

# Earnings and dividends per share

| $000's | FY2017 | FY2016 | % Chg |
|---|---|---|---|
| **Underlying Diluted Earnings Per Share** | | | |
| Underlying Net Profit After Tax [(a)] | 39,923 | 32,998 | 21.0% |
| Less non-controlling interests | (195) | (259) | 24.7% |
| NPAT used in the calculation of underlying EPS | 39,728 | 32,739 | 21.3% |
| Weighted average number of shares (000's) | 530,843 | 466,066 | 13.9% |
| **Underlying Earnings Per Share (cents)** | **7.48** | **7.02** | **6.6%** |
| | | | |
| **Reported Diluted Earnings Per Share** | | | |
| Reported Net Profit After Tax [(a)] | 29,352 | 30,183 | -2.8% |
| Less non-controlling interests | (195) | (259) | 24.7% |
| NPAT used in the calculation of underlying EPS | 29,157 | 29,924 | -2.6% |
| Weighted average number of shares (000's) | 530,843 | 466,066 | 13.9% |
| **Reported Earnings Per Share (cents)** | **5.49** | **6.42** | **-14.5%** |
| | | | |
| **Dividends per share** | | | |
| **Ordinary fully franked dividend (cents)** | **6.00** | **5.50** | **9.1%** |
| **Dividend payout ratio (of underlying EPS)** | **80%** | **78%** | [redacted] |

a) See Appendix to the full year results presentation, released to the market on 28/8/17, for the reconciliation between underlying and reported profit

# Store network and distribution agreements

| Store Network [(a)] | TAF | Platypus | Skechers | Vans | Timber land | Podium | Merrell | Hype | Other | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **FY2017** | | | | | | | | | | |
| Stores at beginning of year | 147 | 74 | 47 | 15 | 4 | 9 | 21 | 58 | 5 | 380 |
| Stores opened | 1 | 17 | 20 | 2 | 3 | | 1 | 9 | 3 | 56 |
| Stores closed | (2) | | | | | | (1) | (2) | (1) | (6) |
| **Stores at end of FY17** | **146** | **91** | **67** | **17** | **7** | **9** | **21** | **65** | **7** | **430** |
| **FY2018** | | | | | | | | | | |
| YTD net movement | 2 | 3 | 6 | | 1 | | | (1) | (2) | 9 |
| Forecast Net movement for remainder of year | (2) | 5 | 7 | 1 | (2) | | | | | 9 |
| **Stores at end of FY18** | **146** | **99** | **80** | **18** | **6** | **9** | **21** | **64** | **5** | **448** |

a) Includes eCommerce stores

| Disribution agreements | Effective date | Expiry date | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 |
|---|---|---|---|---|---|---|---|---|---|
| Timberland | Jan-16 | Dec-18 | | | | | | | |
| Palladium | Jan-14 | Dec-18 | | | | | | | |
| CAT Footwear | Jan-16 | Dec-18 | | | | | | | |
| Vans | Jan-16 | Dec-18 | | | | | | | |
| Saucony | Dec-13 | Dec-18 | | | | | | | |
| Stance | Feb-16 | Jun-19 | | | | | | | |
| Sperry | Jan-16 | Dec-19 | | | | | | | |
| Merrell | Jan-15 | Dec-19 | | | | | | | |
| Dr. Martens | Nov-15 | Oct-20 | | | | | | | |
| CAT Apparel | Jan-16 | Dec-20 | | | | | | | |
| Skechers | Feb-16 | Dec-26 | | | | | | | >>> |


PLATYPUS
VANS
SKECHERS
HYPE
Accent
Group
Dr. Martens AirWair
STANCE
Timberland
L'ORIGINALE
PALLADIUM
DEPUIS 1947

# Accent Group

## Key Financial Highlights

**Total sales**

↑ 59%

$512.5m

| | | |
|---|---|---|
| Total Retail Sales | ↑ | 79% |
| LFL Retail Sales | ↑ | 2.6% |
| Wholesale Sales | ↓ | 4% |

**GP Margin**

↑ 2.3%

To 54.4%

**EBITDA[a]**

↑ 57%

$67.1m

| Store Network | FY17 | FY16 |
|---|---|---|
| PLATYPUS | 91 | 74 |
| SKECHERS | 67 | 47 |
| HYPE | 65 | - |
| VANS | 17 | 15 |
| Timberland | 7 | 7 |

## Commentary

**Strategy**

- Strengthen relationships with key partners and consolidate position as market leader with differentiated, desirable and defensible market positioning for Platypus, Hype DC, Skechers and other banners
- Leverage off the investment made over the last two years in our infrastructure platform to support and drive market leading omnichannel, B&M store rollout and customer engagement

**FY17 Highlights**

- Acquisition of Hype DC by RCG and full integration into the Accent business, including full conversion of Hype's ERP to Apparel 21
- Rolled out 50 new stores (net) across the business
- Launch of brand new, best-in-class Platypus, Skechers and Vans websites
- Launch of click-and-collect and click-and-dispatch capability in Platypus and Skechers
- Total digital sales grew 99% during FY17
- FY17 LFL retail sales of 2.6% across all banners on an aggregate basis
- Trading conditions improved in the last two months of FY17, with LFL growth of 4.7%
- Hype LFL sales were 1% down for FY17. However LFL's improved in the last two months, with LFL's for that period up 5.8% on the prior year

**Growth Opportunities FY18 and beyond**

- Continue store rollout, particularly for Skechers and Platypus and expansion of Hype into NZ
- Build on Omnichannel capability including extending click-and-collect and click-and-dispatch to all brands, endless aisle, AfterPay and 3 hour delivery
- Enhance vertical integration of distributed brands, including introduction of Vans premium product into Hype DC

a) Refers to Underlying EBITDA, including $1.6m of Hype DC EBITDA between the effective date and the completion date, and excluding $0.4m of one-off restructure costs. A reconciliation between underlying and reported financial information is provided in the Appendix to the full year results presentation, released to the market on 28/8/17.


The Athlete's Foot

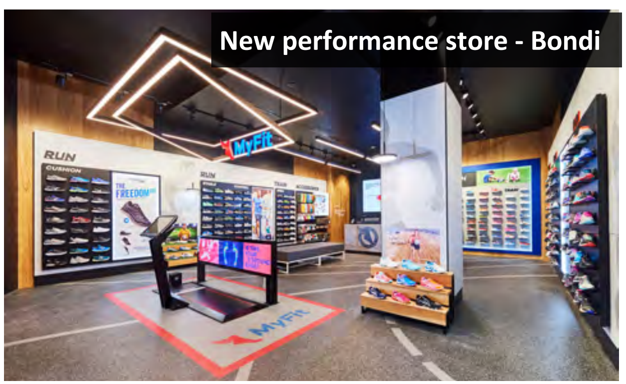
# The Athlete's Foot

## Key Financial Highlights

**Total sales**
↑ **1.6%**
**$227.2m**

| | | |
|---|---|---|
| Franchisee sales | ↑ | 0.8% |
| Corp store sales | ↑ | 8.6% |
| LFL Sales – all strs | ↑ | 0.5% |

**EBITDA**
↓ **8%**
**$12.6m**



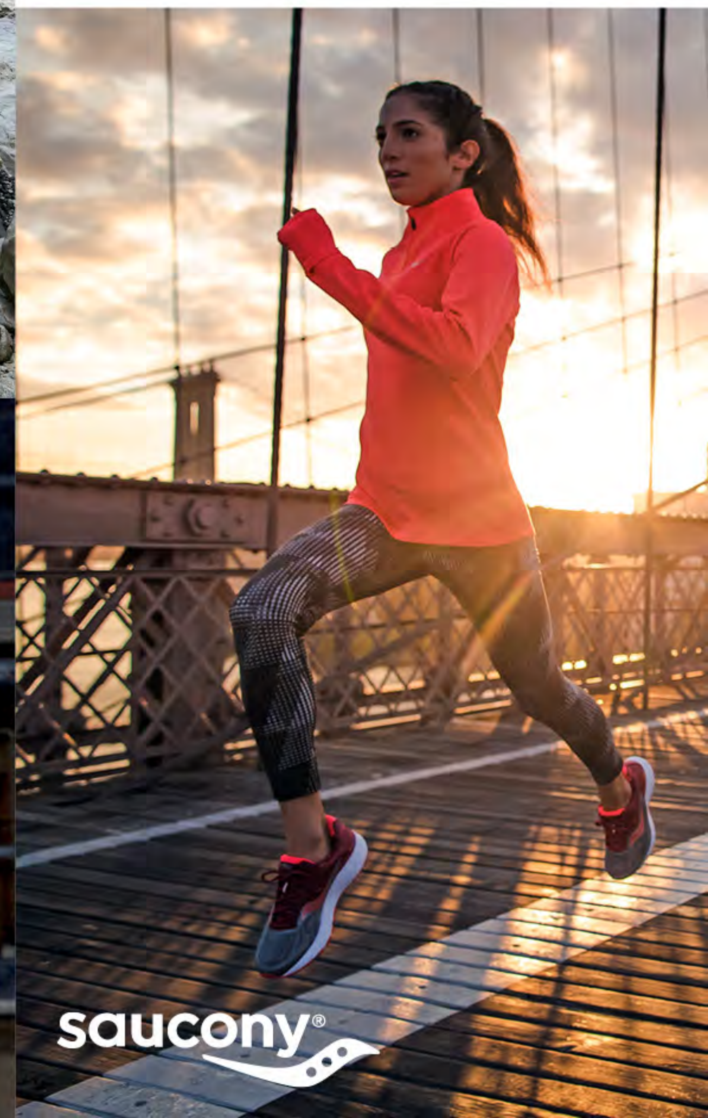
New performance store - Bondi

## Commentary

| | |
|---|---|
| Strategy | ▪ Following strategic review, repositioning of brand towards TAF's performance heritage<br>▪ Decentralisation of eCommerce to deliver a seamless customer experience across all channels<br>▪ Continue to drive loyalty through enhanced CRM programme and outstanding in-store customer experience |
| FY17 Highlights | ▪ Refit of 9 stores to the new performance format, including 3 corporate stores<br>▪ Substantial growth in the key categories of Running and Back-to-school<br>▪ 1.03m active loyalty customers, an increase of 7% on the previous year. Loyalty customers account for 55% of sales.<br>▪ Continued outstanding customer experiences, with the Net Promoter Score across the group of 81<br>▪ Trading conditions improved in the last two months of FY17, with LFL growth of 4.7% |
| Growth Opportunities FY18 and beyond | ▪ Accelerate conversion of stores to the new performance format with at least 30 stores to be converted by the end of FY18<br>▪ Deliver new TAF performance branding and positioning to the market across all consumer touchpoints and channels<br>▪ Decentralisation of eCommerce to deliver a seamless customer experience across all channels including click-and-collect, click-and-dispatch and endless aisle<br>▪ Continue to drive growth in key performance categories and Back-to-school<br>▪ Enhance CRM and loyalty capabilities through new technology and consumer data platforms |



# RCG BRANDS





# RCG Brands

RCG BRANDS

## Key Financial Highlights

**Total sales**

**1.2%**

**$70.3m**

| | | |
|---|---|---|
| **Total Retail Sales** | ↑ | **1.7%** |
| **LFL Retail Sales** | ↓ | **2.6%** |
| **Wholesale Sales** | ↑ | **0.8%** |

**GP Margin**

**5.1%**

**To 42.5%**

**EBITDA**

**62%**

**$3.0m**

## Commentary

| | |
|---|---|
| **Strategy** | ▪ Continue to focus on the distribution and growth of Merrell, CAT, Saucony and Sperry through key channel partners and RCG's retail banners |
| **FY17 Highlights** | ▪ Merrell Outdoor and Performance categories continued to grow strongly on the back of strong product innovation.<br>▪ RCG Brands' other major brands including CAT, Sperry and Saucony all continued to perform well and delivered growth over the prior year<br>▪ Merrell retail stores experienced tougher than expected year as a result of previously reported decline in the lifestyle and sandal categories<br>▪ As previously reported, GP and EBITDA margins contracted as a result of significantly lower exchange rates than in the previous year (FY17: 0.70 vs FY16: 0.79) |
| **Growth Opportunities FY18 and beyond** | ▪ Improved margins through improvements in exchange rates<br>▪ Improved Merrell lifestyle product expected to drive growth in both retail and wholesale channel<br>▪ Saucony to continue to benefit from, and support, the growth of the performance categories in TAF<br>▪ CAT to continue to leverage off brand equity and product innovation in both industrial footwear and workwear |




# Omni-Channel

# Omni-channel

**RCG offers customers a market leading omnichannel experience with over 400 physical points of presence throughout Australia and New Zealand and an integrated eCommerce capability across its TAF, Platypus, Hype, Skechers, Vans, Merrell, Saucony and CAT brands.**

**Sales**

- Total online sales grew by 79% during FY17.
- Jul – Oct total online sales grew by 170%.
- Omni-channel sales target of ~15% of total sales within three years.

**Endless Aisle**

- Provides the ability to shop the entire store network catalogue from within each stores.
- To be implemented in most banners during FY18.

**Technology**

- Market-leading eCommerce platforms.
- Launch of three new eCommerce sites on Magento 2 during FY17, with three more so far in FY18 and another two to follow.
- State-of-the-art digital hub in Melbourne.

**Decentralisation**

- During FY18, the TAF eCommerce capability will be decentralised to deliver a seamless customer experience across all channels including click-and-collect, click-and-dispatch and endless aisle.

**Click & Collect**

- With over 430 stores across Australia & NZ, RCG is a true omni-channel retailer.
- C&C accounted for 22% of digital sales in Platypus & Skechers in Q4 of FY17.
- C&C accounted for 18% of digital sales in Platypus & Skechers in the first 4 months of FY18 .
- C&C is to be rolled out to Hype and significantly enhanced in TAF during FY18.

**afterpay**

- Has been implemented across all eCommerce sites and has had a significant impact on. transactions, conversion rate and average basket
- Has already been rolled out across the TAF store network and will rolled out to the other banners during FY18.

**Click & Dispatch**

- Opens the entire inventory catalogue of all stores to the online customer.
- C&D accounted for 17% of digital sales in Platypus & Skechers in Q4 FY17 and 30% of digital sales for July to Oct FY18.
- C&D accounted for 37% of digital sales in Hype for the 3 weeks it has been live.
- C&D is currently live in 127 stores across Hype, Platypus, Skechers, Vans & Timberland stores. This will continue to be rolled out across all banners and stores during FY18.

**3 hr delivery**

- Given the group's substantial store network, industry leading, 3-hour delivery to most population centres will be rolled out during FY18, providing our banners with best-in-class customer service and a strong competitive advantage.

**Capability Platform**

- During FY18, a number of additional strategic initiatives including CRM & Loyalty, integrated in-store technology, together with expanded social, content and personalisation capability will be extended across Hype, Platypus, Skechers, Vans, Timberland & TAF.


Corporate matters
Dividends
Trading update
Outlook

# Corporate Matters

**CHANGE OF COMPANY NAME**

- Subject to shareholder approval at this AGM, the listed entity will be changing its name from RCG Corporation Limited to Accent Group Limited
- This change reflects the completion of the integration of the RCG, Accent and Hype businesses in to a single business with a common vision and sense of purpose
- It also recognises the that the company has morphed from an investment holding company, which RCG had been until it came together with Accent, into the region's leading, vertically integrated, multi-channel retailer and distributor of performance and lifestyle footwear.
- The Accent name has been selected as it is synonymous with best-in-class retail and distribution of premium international footwear brands and is well regarded as the market leader in this space.
- Having regard to the completion of the integration of the various brands and banners into a single operating business, the historical operating segments are no longer relevant and will not be reported on separately

# Corporate Matters

**CHANGE OF CFO**

- On 28 August 2017, Michael Hirschowitz, the Group CFO and Finance Director announced that effective 28 February 2018 and after nearly 21 years with the group, he intends to step down as both an executive and a director after almost 30 years as a full-time executive in order spend more time pursuing his other interests
- Michael will be replaced in his role as Group CFO by Matt Durbin with the role being relocated to Melbourne where the bulk of the group's operating and financial decisions are now made
- Since 2014, Matt has been the CFO and COO of Pas Group. Prior to that he spent 17 years at David Jones in merchandise planning, strategic planning and financial services roles, culminating in his role as Group Executive – Strategic Planning
- There will be a comprehensive handover from Michael to Matt, ensuring a seamless transition

**CHANGE OF CHAIRMAN**

- In order to support the completion of the transformation of the group from an investment holding company to the regional leader in the retail and distribution of performance, RCG's Chairman, Ivan Hammerschlag, has decided to retire from the board immediately following the AGM.
- Ivan has presided over, and been instrumental to, the enormous growth and success that RCG has experienced over the last 11 years, and the value that it has created for shareholders. During his time as Chairman of RCG, the Company has delivered compound annual shareholder returns of 22%.
- The board has unanimously elected David Gordon to the Chair. David's long history with the RCG business and his broad and deep understanding of all aspects of it will ensure a smooth and seamless transition.

# Corporate Matters

NEW DIRECTORS

- Having regard to the above and the changing nature of the business, as well as its substantially increased size and complexity, the Board has reflected on its own composition and begun a process of board renewal to support the business's strategic growth objectives into the future.
- RCG is therefore pleased to announce that Stephen Goddard and Donna Player will join the board following the AGM
- Stephen Goddard is currently a non-executive director of both JB Hi-Fi Limited and GWA Group Limited and is a former non-executive director and ARC Chair of both Pacific Brands and Surfstitch Group Limited. He was also formerly the Finance Director and Operations Director for David Jones and the Managing Director of Officeworks. In addition to joining the board, Stephen will take the role of Chairman of the ARC. His extensive retail, finance, and board experience make Stephen the ideal appointee to fill this role
- Donna Player has over 35 years' experience in retail including senior executive positions in merchandising, planning and marketing with Big W and David Jones. Donna is currently a non-executive director of Baby Bunting Group Limited, a member of The Iconic advisory board, and Merchandise Director of Camilla, Australia. Donna's proven track record in developing and delivering retail strategy and business transformation will make her an invaluable member of the board
- The board of RCG is confident that these changes will continue to support the performance of the Company, the execution of the Company's strategy, the implementation of sound corporate governance policies and practices and the continued delivery of outstanding long term returns to shareholders

# Trading update and outlook

| | |
|---|---|
| DIVIDENDS | ▪ RCG paid a fully franked final dividend of 3.0 cents per share on 25 September 2017<br>▪ This took total dividends in respect of FY17 to 6.0 cents per share, a 9% increase on the prior year's payout<br>▪ RCG expects its dividend payout ratio to be between 75% and 80% of underlying earnings per share in respect of FY2018 |
| TRADING UPDATE | ▪ Underlying group EBITDA[a] for the first quarter of the financial year was 6% up on the same period in the prior year. This result was exactly on plan.<br>▪ For the first 20 weeks of the financial year total retail sales are up 12% on the same period in the prior year and LFL retail sales are up 1%.<br>▪ The LFL sales trend has improved since the end of September and we are expecting this momentum to continue through the remainder of the half.<br>▪ Wholesale sales for the first 20 weeks of the financial year are ahead of last year and are on plan<br>▪ The group has forward cover at an average rate of 0.74 of 100% of its expected FY18 USD purchases (vs 0.70 in FY17) |
| OUTLOOK | ▪ Our management team has developed and implemented processes, structures and plans ideally suited to countering the threats and capitalising on the opportunities that we expect to face over the next 12 months and beyond, and we expect another year of profit growth. |

a) Although RCG acquired Hype with effect from 1 July 2016, under the accounting standards Hype's profits between the effective date and the Completion date (4 August 2016) are treated as a reduction in the purchase price and are not taken to earnings in the statutory accounts in FY16. Hype's EBITDA from the effective date to the Completion date has been included in underlying EBITDA for FY16 for the purposes of this calculation.

# Vision & guiding principles
# Core Value proposition

## Daniel Agostinelli

# Our Vision and Guiding Principles

## Strategic Vision

**To lead the performance and lifestyle footwear market across Australia and New Zealand, by delivering world-class consumer experiences, harnessing the power of our people, partnerships and products**

## Key Guiding Principles

### Shareholder

1. Delivery of outstanding, long-term returns to shareholders through the delivery of sustainable sales and profit growth across its businesses. Compound annual shareholder returns of 22% over past 11 years
2. Delivery of sustainable and growing dividends flowing from the high quality cash flows from its defensible and desirable business
3. Maintenance of a strong, conservatively geared balance sheet

### Company

1. **Customers First** - always
2. **Attitude** – can do, accountable, humble, open, curious
3. **Teamwork** – success through teams not individuals
4. **Excellence** – in everything we do, no complacency
5. **Empathy** – warmth and respect
6. **Sense of urgency** – consider all options, act decisively
7. **Communication** – open, regular and two-way
8. **Integrity** – doing what we say we will

# Our Core Value Proposition

Ensuring our business remains distinctive, desirable and defensible

| | | |
|---|---|---|
| **Defend and grow our position as the leading player in performance and lifestyle footwear in Australia and NZ** | **Best-of-breed retail through premium store fitouts, visual merchandising and in-store experiences** | **Approximately 40% of retail sales from vertical and exclusive brands** |

| | | | |
|---|---|---|---|
| **Partner of choice with suppliers, key brands and landlords** | **Best-in-class omni-channel capability** | **Diversified business, with multi-brand portfolio, various channels to market and geographic spread** | **Outstanding culture, values and can do attitude at all levels** |

| | | |
|---|---|---|
| **Established track record of integrating organic and acquisitive growth to seed further opportunities** | **Experienced management team with deep retail sector intelligence and meaningful alignment with shareholders** | **Best-in-class back-office architecture to drive organic and acquisitive growth** |